



# UNITED STATES PATENT AND TRADEMARK OFFICE

H1

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

10/636,125

08/07/2003

Robert B. Phelps

S-816

1568

2071 7590 05/18/2007  
SIEBERTH & PATTY, LLC  
4703 BLUEBONNET BLVD  
BATON ROUGE, LA 70809

EXAMINER

FRENEL, VANEL

ART UNIT

PAPER NUMBER

3627

MAIL DATE

DELIVERY MODE

05/18/2007

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

**Office Action Summary**

Application No.

10/636,125

Applicant(s)

PHELPS, ROBERT B.

Examiner

Vanel Frenel

Art Unit

3627

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 07 March 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-21 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-21 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)  | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date <u>20070307</u> . | 6) <input type="checkbox"/> Other: _____  |

## **DETAILED ACTION**

### **Notice to Applicant**

1. This communication is in response to the Appeal Brief filed on 3/7/07. Claims 1-21 are pending.

2. In view of the Appeal Brief filed on 3/7/07 PROSECUTION IS HEREBY REOPENED as set forth below.

To avoid abandonment of the application, appellant must exercise one of the following two options;

(1) file a reply under 37 C.F.R 1.111 (if this Office action is non-final) or a reply under 37 C.F.R 1.113 (if this Office action is final); or,

(2) request reinstatement of the appeal.

If reinstatement of the appeal is requested, such request must be accompanied by a supplemental appeal brief, but no new amendments, affidavits (37 C.F.R 1.130, 1.131 or 1.132) or other evidence are permitted. See 37 C.F.R 1.193) (b)(2).

### ***Claim Rejections - 35 USC § 101***

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claims 1, 9, and 17 are rejected under 35 U.S.C 101 because the claimed invention is directed to non-statutory subject matter, namely abstract idea.

Note: The statutory status of the instant claims 1, 9, and 17 under Section 101 will be analyzed with guidance from MPEP Section 2106.

In the present case, claims 1, 9 and 17 recite an abstract idea. Particularly the claims recited investing at least a portion of one or more assets of a pension plan so as to acquire an interest in one or more current, in-force insurance contracts from one or more owners of the one or more current, in-force insurance contracts which can be performed by the use of paper and pencil. The claims as presented, are considered to be "Non-Functional descriptive material" since the claims do not clearly and positively exhibit any functional interrelationships with the way in which computing processes are to be performed, and thus appears to be nothing more than a compilation or mere arrangement of data such as "providing a plurality of periodic payments during the life of an insured or (b) provides a single death benefit on the life of an insured, but in either case, the insured is not a beneficiary of the pension plan etc.

When non-functional descriptive material is recorded on some computer-readable medium, it is not structurally and functionally interrelated to the medium but is merely carried by the medium.

As such, claims 1, 9 and 17 are still remaining non-statutory. In addition, Applicant is advised to consult "Board of Patent Appeals and Interferences; Ex Parte Bernard L. Bilski; Appeal No. 2002-2257; Application No. 08/833,892 for further explanations pertaining to this matter.

***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1-21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Halley et al (4,969,094) in view of Banks (2003/0018498).

(A) As per claim 1, Halley discloses a method which comprises the step of: investing at least a portion of one or more assets of a pension plan so as to acquire an interest in one or more current, in-force insurance contracts from one or more owners of the one or more current, in-force insurance contracts, wherein each of the one or more insurance contracts is characterized in that it either (a) provides a plurality of periodic payments during the life of an insured or (b) provides a single death benefit on the life of an insured, but in either case, the insured is not a beneficiary of the pension plan (Col.2, lines 45-68 to Col.3, line 15), the remaining life expectancy of the insured or the remaining life expectancy of each of the insureds, when determined at least immediately after the acquisition, being such that (i) the total value of the pension plan assets, inclusive of the interest so acquired, determined immediately after the acquisition, is appreciably greater than (ii) the total value of the pension plan assets, exclusive of the interest so acquired and inclusive of the at least a portion of one or more assets of the pension plan invested (Col.2, lines 45-68 to Col.3, line 15).

Halley does not explicitly disclose the respective total values of (i) and (ii) being determined at the same point in time and in accordance with the same actuarially sound valuation method.

However, this feature is known in the art, as evidenced by Banks. In particular, Banks suggests the respective total values of (i) and (ii) being determined at the same point in time and in accordance with the same actuarially sound valuation method (See Banks, Page 3, Paragraph 0024; Page 6, Paragraphs 0047-0048).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Banks within the system of Halley with the motivation of providing employer, employees, plan actuary, investment manager, etc., with valuable information regarding the financial status of the plan (See Banks, Page 3, Paragraph 0024).

(B) As per claim 2, Banks discloses a method wherein the one or more current, in-force insurance contracts are life insurance contracts, and wherein each of the one or more life insurance contracts is characterized in that it provides a single death benefit on the life of an insured (See Banks, Page 2, Paragraph 0021).

(C) As per claim 3, Banks discloses a method wherein the remaining life expectancy of the insured, or of at least one of the insureds, under the one or more life insurance contracts is no more than 20 years (Page 6, Paragraph 0047).

(D) As per claim 4, Banks discloses a method wherein the remaining life expectancy of the insured, or of at least one of the insureds, under the one or more life insurance contracts is no more than 15 years (Page 6, Paragraph 0047).

(E) As per claim 5, Banks discloses a method wherein the remaining life expectancy of the insured or the remaining life expectancy of each of the insureds, when determined at any time after the acquisition but prior to the occurrence of death of the insured or of any one of the insureds, as applicable, being such that (i) the total value of the pension plan assets, inclusive of the interest so acquired, determined immediately after the acquisition, is appreciably greater than (ii) the total value of the pension plan assets, exclusive of the interest so acquired and inclusive of the at least a portion of one or more assets of the pension plan invested, the respective total values of (i) and (ii) being determined at the same point in time and in accordance with the same actuarially sound valuation method (See Banks, Page 3, Paragraph 0024; Page 6, Paragraphs 0047-0048).

(F) As per claim 9, Halley discloses in-force insurance contracts from one or more owners of the one or more current, in-force insurance contracts, wherein each of the one or more insurance contracts is characterized in that it either (a) provides a plurality of periodic payments during the life of an insured or (b) provides a single death benefit on the life of an insured, but in either case, the insured is not a beneficiary of the pension plan (See Halley, Col.2, lines 45-68 to Col.2, line 15).

Halley does not explicitly disclose a pension plan comprised of an investment portfolio, wherein the investment portfolio is comprised of an interest in one or more current.

However, this feature is known in the art, as evidenced by Banks. In particular, Banks suggests a pension plan comprised of an investment portfolio, wherein the investment portfolio is comprised of an interest in one or more current (See Banks, Page 5, Paragraphs 0042-0044).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Banks within the system of Halley with the motivation of providing employer, employees, plan actuary, investment manager, etc., with valuable information regarding the financial status of the plan (See Banks, Page 3, Paragraph 0024).

(G) Claim 17 differs from claim 1 and 9 by reciting an investment product marketable to a manager of a pension plan having assets to invest.

As per this limitation, it is noted that Halley discloses each of the insurance contracts having been obtained from one or more owners of the one or more current, in-force insurance contracts, wherein each of the one or more insurance contracts is characterized in that it either (a) provides a plurality of periodic payments during the life of an insured or (b) provides a single death benefit on the life of an insured, but in either case, the insured is not a beneficiary of the pension plan (Halley, Col.2, lines 45-68 to Col.3, line 15) and Banks discloses the investment product comprising a transferable



interest in a pool of current, in-force insurance contracts, each of the insurance contracts (See Banks, Page 5, Paragraphs 0042-0044).

Thus, it is readily apparent these prior art systems utilize an investment product marketable to a manager of a pension plan having assets to invest to perform their specified function.

The remainder of claim 17 is rejected for the same reason given above for claims 1 and 9, and incorporated herein.

(H) Claims 6-8, 10-16 and 18-21 recite the underlying process steps of the elements of claims 2-5, and respectively. As the various elements of claims 2-5 have been shown to be either disclosed by or obvious in view of the collective teachings of Halley and Banks, it is readily apparent that the apparatus disclosed by the applied prior art performs the recited underlying functions. As such, the limitations recited in claims 6-8, 10-16 and 18-21 are rejected for the same reasons given above for claims 2-5, and incorporated herein.

### ***Response to Arguments***

7. Applicant's arguments filed on 3/7/07 with respect to claims 1-21 have been fully considered but they are not persuasive.

(A) At pages 8-19 of the response filed on 3/7/07, Applicant argues the followings:

(i) The withdrawn of the 35 U.S.C. 101 rejection.

(ii) The references fail to establish a *prima facie* case of obviousness, because there is no motive or suggestion to combine these references, because the rejection was constructed from hindsight reasoning.

(B) With respect to Applicant's first argument, Examiner respectfully submitted that He relied upon the MPEP Section 2106 in which stating "When non-functional descriptive material is recorded on some computer-readable medium, it is not structurally and functionally interrelated to the medium but is merely carried by the medium".

As such, claims 1, 9 and 17 are still remaining non-statutory. In addition, Applicant is advised to consult "Board of Patent Appeals and Interferences; Ex Parte Bernard L. Bilski; Appeal No. 2002-2257; Application No. 08/833,892 for further explanations pertaining to this matter.

(C) With respect to Applicant's second argument, Examiner respectfully submitted that obviousness is determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. See *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992); *In re Hedges*, 783 F.2d 1038, 1039, 228 USPQ 685,686 (Fed. Cir. 1992); *In re Piasecki*, 745 F.2d 1468, 1472, 223 USPQ 785,788 (Fed. Cir. 1984); and *In re Rinehart*, 531 F.2d 1048, 1052, 189 USPQ 143,147 (CCPA 1976). Using this standard, the Examiner respectfully submits that he has at least satisfied the burden of presenting a *prima facie* case of obviousness, since he has presented

evidence of corresponding claim elements in the prior art and has expressly articulated the combinations and the motivations for combinations that fairly suggest Applicant's claimed invention.

Rather, Applicant does not point to any specific distinction(s) between the features disclosed in the references and the features that are presently claimed. In particular, 37 CFR 1.111(b) states, "A general allegation that the claims define a patentable invention without specifically pointing out how the language of the claims patentably distinguishes them from the reference does not comply with the requirements of this section." Applicant has failed to specifically point out how the language of the claims patentably distinguishes them from the applied references. Also, arguments or conclusions of Attorney cannot take the place of evidence. *In re Cole*, 51 CCPA 919, 326 F.2d 769, 140 USPQ 230 (1964); *In re Schulze*, 52 CCPA 1422, 346 F.2d 600, 145 USPQ 716 (1965); *Mertizner v. Mindick*, 549 F.2d 775, 193 USPQ 17 (CCPA 1977).

In addition, the Examiner recognizes that references cannot be arbitrarily altered or modified and that there must be some reason why one skilled in the art would be motivated to make the proposed modifications. However, although the Examiner agrees that the motivation or suggestion to make modifications must be articulated, it is respectfully contended that there is no requirement that the motivation to make modifications must be expressly articulated within the references themselves. References are evaluated by what they suggest to one versed in the art, rather than by their specific disclosures, *In re Bozek*, 163 USPQ 545 (CCPA 1969).

The Examiner is concerned that Applicant apparently ignores the mandate of the numerous court decisions supporting the position given above. The issue of obviousness is not determined by what the references expressly state but by what they would reasonably suggest to one of ordinary skill in the art, as supported by decisions in *In re DeLisle* 406 Fed 1326, 160 USPQ 806; *In re Kell, Terry and Davies* 208 USPQ 871; and *In re Fine*, 837 F.2d 1071, 1074, 5 USPQ 2d 1596, 1598 (Fed. Cir. 1988) (citing *In re Lahu*, 747 F.2d 703, 705, 223 USPQ 1257, 1258 (Fed. Cir. 1988)). Further, it was determined in *In re Lamberti et al*, 192 USPQ 278 (CCPA) that:

- (i) obviousness does not require absolute predictability;
- (ii) non-preferred embodiments of prior art must also be considered; and
- (iii) the question is not express teaching of references, but what they would suggest.

In response to Applicant's argument that the Examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the Applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

***Conclusion***

8.. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The cited but not the applied art teaches system and method for computing a financial projection of a prefunding program for other postretirement employee benefits under FASB statement 106 (5,802,500), method and apparatus that processes financial data relating to wealth accumulation plans (5,991,744), foundation funds generation system and method (2002/0035489) and system and method for creating a defined benefit pension plan funded with a variable life insurance policy and/or a variable annuity policy (2002/0198802).

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Vanel Frenel whose telephone number is 571-272-6769. The examiner can normally be reached on 6:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Zeender Ryan Florian can be reached on 571-272-6790. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3627

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

  
Vanel Frenel

Art Unit 3627

May 12, 2007